

File: CORE

4 JUN 1981

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MEMORANDUM FOR: Director of Communications  
Director of Data Processing  
Director of Finance  
Director of Information Services  
Director of Logistics  
Acting Director of Medical Services  
Director of Security  
Director of Training & Education

FROM: Harry E. Fitzwater  
Deputy Director for Administration

SUBJECT: Cost Reduction and Efficiency (CORE) Working Group

1. To assist me in an initial review of the support services we provide and the efficiency with which we provide them I am establishing the subject Working Group. Chaired by [ ] it will be comprised of each DDA deputy office director. The CORE Working Group will focus, initially, on two areas:

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- a) the efficiency and cost effectiveness with which we provide support to our customers; and;
- b) the identification of services that are duplicated elsewhere in the Agency (e.g. graphics, micrographics).

The final product of these efforts will be recommendations to me that identify possible areas for increased efficiency or for cost reduction (i.e., either a realignment of the manner in which a service is provided, the elimination of a discrete support function, or the reduction in an existing service level).

2. I have been charged by the DCI with reporting to him the findings of our initial review of the services we provide to our customers and the manner in which we provide them. My final report is due in 60 days and I am committed to interim reporting as well. This Working Group will be the principal means through which we conduct this review. For your planning purposes you should assume that, at least for the next two or so months, your deputies will be devoting about 50% of their time to this responsibility.

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3. My first meeting with the CORE Working Group has been scheduled for Tuesday, 9 June 1981, 1600 hours in room 7D32, Headquarters. I will discuss this issue in more detail then and will answer any questions that the CORE members may have. I am looking forward to this endeavor and am anticipating a successful and productive outcome.



Harry E. Fitzwater

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2 June 1981

MEMORANDUM FOR: Deputy Director for Administration  
Comptroller

FROM: Director of Central Intelligence

SUBJECT: Cost Reduction and Efficiency

1. I have raised the question, but perhaps not urgently or forcefully enough, as to what this organization is doing to put a sharper focus on cost reduction and overall efficiency. I sat at a Cabinet meeting today and realized that the rest of the Government is working hard at this and thus far it is my impression that there is too much thinking here that we are immune from this requirement. The Transportation Department has a small committee, called CARE, for cost reduction and efficiency, and I am getting their material to see what ideas they have developed which we could pick up here.

2. Every Department of the Government has an Inspector General who is in charge of specifically looking for cost savings, waste and fraud. I am impressed with the work our Inspector General is doing in questioning and making recommendations on operations. I would like to see whether a sharper focus can be put on costs, waste and inefficiency.

3. At the Cabinet meeting this morning, attention was directed to reverse the bureaucratic syndrome where the more you spend, the larger you get, the more important you are. This would mean that if the reduction in the costs of getting things done were not pressing enough, the better chance you would have of getting additional resources needed to tackle new tasks and problems.

4. Another thing to be examined is whether cost saving is sufficiently recognized in making awards. I have asked for a review of publications and, as far as I know, have not gotten a response. I would like you to get together and give me a report on what has been done in this direction and a set of comprehensive recommendations on what we should be initiating now.

*for* William J. Casey

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